GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2067
ANSWERED ON:12.12.2008
FRAUDFS IN CO-OPERATIVE BANKS
Gadhavi Shri Pushpdan Shambhudan

Will the Minister of FINANCE be pleased to state:

(a) the number of fraud cases in Co-operative Banks has come to the notice of the Government during the last three years and the current year, region-wise and bank-wise;

(b) the amount involved in such cases, bank-wise;

(c) the action taken by the Government to recover the above amount and the amount recovered during the period, bank-wise; and

(d) the measures taken by the Government to check recurrence of such fraud cases?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a) & (b) : The cumulative position of fraud cases reported by the State Cooperative Banks (SCBs) and District Central Cooperative Banks(DCCBs) coming under the supervisory ambit of National Bank for Agriculture and Rural Development (NABARD) during the last three years ending 31st March, 2008, is as follows

(Rs. in lakh)

Agency	As on	Bank involved	No. of Cases	Amount Outstanding
SCBc	31.03.06	26	180	3649.95
	31.03.07	25	311	6976.32
	31.03.08	20	456	7589.22
DCCBs	31.03.06	306	2857	31239.18
	31.03.07	299	2349	31522.13
	31.03.08	287	2464	33126.41

(c) : State-wise and agency-wise recovery position as on 31st March, 2008 is annexed.

(d) : Some of the important measures taken by the Government to check recurrence of fraud cases in the Cooperative Banks are as follows :-

Setting up of Vigilance Cells in Cooperative Banks.

Preparation and Circulation of Manuals/ Communication on Internal Checks and Branch Control for Cooperative Banks.

NABARD's advisory to all the SCBs and DCCBs for revising/rationalizing the classification, reporting and monitoring of frauds has been issued to the banks.

Setting up of Centralised Fraud Monitoring Cell (CFMC) in NABARD to review fraud cases involving Rs.10 lakh and above.